



**Statement to the House Committee on Agriculture
on the Proposed Transfer of the Animal & Plant Health Inspection Service (APHIS)
to a Department of Homeland Security**

**Presented by Lin Schmale
on behalf of
American Nursery & Landscape Association (ANLA)
and
Society of American Florists (SAF)**

Chairman Combest, Ranking Member Stenholm, and Members of this Committee, ANLA and SAF are grateful for the opportunity to present joint testimony on the importance of the Animal & Plant Health Inspection Service (APHIS) and the potential impact of various proposals to transfer APHIS or portions of APHIS to a new Department of Homeland Security. ANLA and SAF are the national trade associations for the nursery and landscape and floriculture industries, known collectively as environmental horticulture.

ECONOMIC SIGNIFICANCE OF THE ENVIRONMENTAL HORTICULTURE INDUSTRY

According to the USDA's National Agricultural Statistics Service (NASS), **the nursery and greenhouse industry remains the fastest growing agricultural sector in cash receipts.** The 1997 Census of Agriculture shows that nursery, greenhouse and floriculture crop sales totaled \$10.9 billion in 1997, up from \$7.6 billion in 1992. This represents a *43 percent increase* in sales over the previous 1992 Census. Together these crops make up 11 percent of total U.S. farmgate receipts, up from 10 percent. Some 33,935 farms produced nursery plants as their principal crop; floriculture farms numbered 21,824.

In crop value, nursery and greenhouse crops have surpassed wheat, cotton, and tobacco and are now the third largest plant crop – behind only corn and soybeans. Nursery and greenhouse crop production now ranks among the top five agricultural commodities in 24 states, and among the top 10 in 40 states. Growers produce thousands of varieties of cultivated nursery, bedding, foliage and potted flowering plants in a wide array of different forms and sizes on 1,305,052 acres of open ground and 1,799 million square feet under the protective cover of permanent or temporary greenhouses.

**ROLE AND IMPACT OF APHIS PROGRAMS IN AGRICULTURE
AND THE NURSERY, LANDSCAPE AND FLORICULTURE INDUSTRIES**

The environmental horticulture industry is uniquely vulnerable to the ravages of invasive plant pests introduced from abroad. Virtually every introduced pest may find a home and suitable plant hosts somewhere in the U.S. and among the literally thousands of species and varieties grown commercially in nurseries and greenhouses. Once established, such pests disrupt the industry by

causing direct crop damage, and spurring imposition of quarantines, inspection and certification requirements to slow further pest spread. For the purposes of clarity, references to plant pests in this testimony are intended to include all types of pests such as insects, pathogens, and weeds.

As a result, the environmental horticulture industry was intimately involved in the design and passage of the nation's first quarantine laws early in the last century. The industry has since maintained a close and collaborative working relationship with USDA-APHIS given that agency's key role in excluding, detecting, and responding to serious agricultural and environmental pest threats.

OVERVIEW OF APHIS PROGRAMS IMPORTANT TO OUR INDUSTRY

Key APHIS programs that are important to the nursery, landscape and floriculture industries are intended to achieve the following purposes: pest exclusion; detection and response; domestic pest management; and trade facilitation.

Pest Exclusion – Given the vulnerability of our industries to plant pest introductions, we absolutely rely on APHIS programs designed to prevent new pest introductions. Historically, these programs have relied mainly on commodity inspection at the ports of entry into the U.S. However, experience has shown that arrival inspection has major inadequacies. As a result, the safeguarding system is evolving into a continuum of activities that occur offshore, at the ports of arrival, and in the interior of the U.S. These activities may include the design and execution of production and handling practices for foreign commodities to reduce or eliminate pest threats; monitoring to ensure that such practices are being followed and are effective; establishment of foreign preclearance programs; commodity inspection and testing abroad and at our ports; domestic surveillance for pests that may have slipped through the “safety net”, and emergency programs to contain or eradicate serious threats that have become established. Examples of current or recent eradication programs of great interest to our industry include Asian longhorned beetle, citrus canker, exotic fruit flies, and plum pox.

Pest Detection – This has been an underdeveloped area historically, but APHIS is now putting substantial resources toward broad-based detection programs to identify pest problems while it is still feasible and cost-effective to eradicate them. The ability to maintain and affirmatively demonstrate freedom from serious agricultural pests is key to sustaining a vibrant domestic agricultural industry and export market access for U.S. plants and plant products.

Domestic Programs – APHIS maintains a number of federal domestic programs designed to ensure a level playing field for commerce, and/or seek to manage the spread and threat of serious pests. These programs are usually implemented in cooperation with the states, and the private sector plays a critical role through “informed compliance.” Examples are programs to contain imported fire ant, gypsy moth, chrysanthemum white rust, and the so-called sudden oak death. APHIS also plays a key role in the development and implementation of long-term biological control programs for pests like the Pink Hibiscus Mealybug, which was just discovered in Florida, and numerous wildland and rangeland weeds.

Trade Facilitation – With the reduction or elimination of tariffs and most other barriers to international trade, the importance of phytosanitary measures in international trade negotiations is at an all-time high. In addition, many sectors of U.S. agriculture are absolutely dependent upon foreign exports. Pursuant to international agreements including the World Trade Organization's agreement on sanitary and phytosanitary measures, the International Plant Protection Convention and NAFTA, APHIS plays a pivotal role in analyzing risk and establishing and enforcing measures

necessary to protect plant health. APHIS also plays a key technical role in resolving trade disputes and gaining foreign market access for U.S. producers.

WHERE IS APHIS HEADED?

Congressional and Bush Administration proposals aside, APHIS is moving through a strategic process of restructuring and renewal to meet rising needs and expectations. In 1999, USDA requested an external review of APHIS programs and activities designed to safeguard U.S. plant resources. The review, conducted under the auspices of the National Plant Board (representing APHIS' state cooperators) was co-chaired by ANLA. Leadership of this broad-based review gives ANLA unique insights into APHIS' role and performance. The *Plant Safeguarding Review* generated over 300 recommendations. APHIS established a process for developing and carrying out implementation plans, and this effort has shown substantial progress and commitment. Details can be viewed on the Internet at www.safeguarding.org.

A primary recommendation of the *Plant Safeguarding Review* was passage of the Plant Protection Act, which occurred in June 2000. This Act consolidated and enhanced APHIS authorities to better permit it to carry out its agricultural and environmental resource protection mandate. ANLA and SAF worked hard with Members of this Committee to enact the Plant Protection Act.

The salient point is that implementation of both the *Plant Safeguarding Review* and Plant Protection Act have stimulated the Agency to make advances forward along a very important and hard-won path of revitalization -- designed to pursue a clear mission of protecting agricultural and environmental plant resources; to strengthen the Agency's science base and risk analysis capacity; to better manage information resources; to improve collaboration with stakeholders of all types; to improve transparency of Agency actions; and to strengthen linkages with related and cooperating federal and state entities.

INITIAL PERSPECTIVES ON PROPOSALS TO TRANSFER APHIS TO A NEW DEPARTMENT OF HOMELAND SECURITY

The environmental horticulture industries join the rest of agriculture in encouraging the Bush Administration and Congress to pursue vigorously measures to secure our country from terrorism, including bioterrorism, as fully as is realistically possible. The Administration and some Congressional proposals include transferring all or parts of APHIS to a new Department of Homeland Security (DHS). Such proposals merit very careful consideration as to the opportunities and synergies that may be gained, or that may be lost.

The opportunities driving these proposals appear obvious – APHIS has an infrastructure of inspectors at ports of arrival who are already tasked with monitoring incoming commodities and conveyances. APHIS also has user fee authorities whereby those engaged in travel and commerce underwrite most of the costs of such inspections.

The risks of such a move are similarly apparent. APHIS is a complex and multi-faceted organization whose activities are integral to the health and well-being of U.S. agriculture. As already discussed, the Agency is in the midst of a major strategic renewal effort to enable programs and activities to meet vastly increased expectations. It seems plausible that even if a commitment were made to sustain all current program initiatives, much ground could be lost in a transition. Moreover, is it realistic to expect that current programs can be sustained – and future needs of agriculture met – under the auspices of a new department that has some shared interests, but also substantial new and different priorities?

Some have proposed simply moving just the port inspection activities of APHIS to a new department. To us, this approach seems even more problematic. Safeguarding is achieved through a continuum of activities: in foreign countries, at U.S. ports, and in the interior. The port inspection activities are an integral component, but by no means the only component, of the safeguarding system. In fact, there is a growing sense that port inspection activities largely constitute an oversight and monitoring function that helps to inform program managers on the effectiveness of a full range of risk reduction measures. It strikes us that moving just the border and port functions of APHIS is akin to removing an organ that is vital to the overall body's functioning. A split Agency would also jeopardize extensive cooperative program efforts already underway with the States and industry partners.

There is an additional complication that Congress and the Administration must carefully consider – that is, the collection and disposition of user fee funds collected to fund agricultural quarantine inspection. The statutory authorities under which APHIS collects these fees direct that they are to fund timely and efficient provision of inspection services designed to protect agriculture from harmful pests. Diversion of these funds for other purposes could be both programmatically and legally problematic.

Finally, we do see potential gains that could result from a strategic linkage between APHIS, a new Department of Homeland Security, and other agencies with inspection and clearance responsibilities. These gains may be achievable regardless of whether or how an APHIS transfer is pursued. For example, APHIS is pursuing broader user fee authorities to address gaps in the current system, such as a user fee for cargo inspection. A stronger and broader partnership with other departments and agencies could bring faster resolution of such authority and program gaps.

APHIS is also pursuing the development and implementation of “smart x-ray” and other technologies that speed the efficiency and effectiveness of passenger and cargo clearance. It seems to us that biological materials including pests and prohibited commodities are just one of many types of “contraband” that must be detected. A shared focus on such technology needs by a new DHS could speed the development and deployment of such technologies.

CONCLUSION

In an era of rapid globalization and unprecedented trade and travel, the stakes are higher than ever for all of agriculture in terms of effective plant resource safeguarding and trade facilitation. APHIS' role and importance is more significant than ever. Can the growing demands on APHIS be met in a sustainable way through an unprecedented Agency transition?

APHIS programs are vital to the well-being of the nursery, landscape and floriculture industries. Broader U.S. security interests are also vitally important. We respectfully urge Congress to carefully assess whether current proposals represent the best way to meet an array of complex needs. Of greatest concern to us is the direct loss or potential diminishment, over time, of the agricultural resource safeguarding mission. We ask Congress and the Administration to carefully explore how the U.S. can best establish the new linkages, training and resource deployment needed to carry out the vital homeland security functions while avoiding a major disruption and potential loss of key agricultural protection focus of APHIS that could result from such a major reorganization.

The Plant Safeguarding Alliance is a broad coalition of plant-based agriculture groups who joined together to support APHIS implementation of the Plant Safeguarding Review and key provisions of the Plant Protection Act. The Plant Safeguarding Alliance has contributed to the development of a

number of questions relating to current APHIS transfer proposals, and how those proposals might affect the current APHIS mission and ongoing programs. We have attached a list of these questions to our testimony.

Mr. Chairman, ANLA and SAF thank this Committee for the opportunity to share our views on the matter, and we pledge to work closely with you as options are assessed and a national course of action in this important matter is decided.

**Questions on the President's Proposed Department of Homeland Security
By Various Plant-based Agricultural Organizations
June 14, 2002**

The mission of the Animal and Plant Health Inspection Service (APHIS) is to protect America's plant resources by:

Safeguarding plant resources from exotic invasive pests and diseases,
Monitoring and managing agricultural pests and diseases in the United States, and
Resolving and managing trade issues related to plant health

These mission areas are of vital importance to the U.S. agriculture industries. Every day, the activities of APHIS allow the plant agriculture industries to continue to be competitive in the global marketplace whether it is preventing a foreign pest or disease from entering the U.S. or by resolving a sanitary or phytosanitary issue in order to allow the export of U.S. products. APHIS has a very important role in the security of the homeland. They also have an important role in domestic protection for plant-based agriculture.

Knowing the role that APHIS plays in animal and plant agriculture, we have developed these questions to better understand the President's proposal to transfer APHIS to the Department of Homeland Security. These questions are not prioritized and are meant to reflect the broad array of issues that APHIS handles that are of importance to plant agriculture. Animal agriculture faces similar issues and needs, and so is mentioned in some of these questions. The questions are categorized according to the main APHIS program areas.

General

- *How will the issues that APHIS deals with that are not related to protecting from terrorism be prioritized within the new Department?*
In addition to the mission of APHIS to safeguard America's animal and plant resources from exotic pests and diseases (whether intentionally or accidentally introduced), APHIS also has missions that do not relate to protection from terrorism. They include: monitoring and managing agricultural pests and diseases existing in the US, resolving and managing trade issues related to animal or plant health, and ensuring the humane care and treatment of animals. These missions support animal and public health (through the control and eradication of zoonotic diseases) and the interests of agricultural industries.
- *How will APHIS maintain the linkage between the agriculture research function at USDA that are vital to the function of APHIS programs while being at this new Department?*
Currently, the Agriculture Research Service and the Cooperative State Research, Extension and Education Service provide the research necessary to APHIS to carry out their mission. This close relationship allows APHIS to be able to coordinate the research with the emerging issues and needs of agriculture as they address plant and animal health issues.
- *How would the State authorities work with the federal component? Who would the field staff work for and with?*
APHIS has entered into hundreds of cooperative agreements, compliance agreements, and memoranda of understanding with government and non-government entities.

- *How would laboratories that conduct research for both APHIS and the Agricultural Research Service operate if they were transferred to the new Homeland Security Department?*
- *The APHIS import activities are being transferred to the Department of Homeland Security but the FDA and FSIS import inspection functions are not. Why?*
A major component of the Department of Homeland Security is border security. This includes the importation of food, animal feeds, drugs, biologics and other items that must be controlled at our borders to enhance human, animal and plant protection. Several agencies including APHIS, FDA and FSIS perform these critical functions.
- *Will all of APHIS move? If so, how will the various component parts of APHIS be split among the organizational structure of Homeland security? Will APHIS lose the coordination and integration that it has now?*
- *With a the transfer of APHIS to the Dept of Homeland Security, will the biological and agricultural focus of APHIS inspection services fundamentally jeopardize delivery of inspection services be redirected or compromised in any way? Will APHIS' plant and animal safeguarding mission remain a top priority?*
- *Will focus on homeland security create a more isolationist attitude (when in doubt, keep it out) and negatively impact the opportunities for agricultural trade?*
- *Will emphasis shift to more "secrecy" and less openness and participatory/collaborative approaches?*
- *Will reorganization consume resources and slow progress toward achieving better preparedness and response capabilities?*

Pest and Disease Exclusion

- *How will the Department of Homeland Security maintain the importance of this mission assuming other security issues of border entry will arise?*
APHIS' PPQ provides a valuable service for agriculture through inspection of incoming plant materials and prevention of entry of plant pests such as disease, insects, and noxious weeds.
- *What will the new department do to ensure that the ability to gather, assess, and respond to data gathered through Agricultural Quarantine Inspection and other APHIS and cooperative efforts remains viable?*
Many such activities involve coordination with state cooperators and industry. Will the security-oriented focus of a new Dept. of Homeland Security limit data-sharing essential to such cooperative efforts?

Plant and Animal Health Monitoring

- *How will a major reorganization and transition affect the progress and ongoing effort to meaningfully strengthen plant and animal health programs?*
APHIS has made two years of progress implementing 300 substantive recommendations made in the *Safeguarding American Plant Resources* report that resulted from a USDA-

requested external review. A similar review was done later for animal health programs, *The Animal Health Safeguarding Review*, and the recommendations are in the process of being implemented.

- *How would a new Department prioritize pest detection beyond the ports of entry?*
The most critical underdeveloped aspect of the plant safeguarding system in the U.S. is pest detection. Little in the way of programs and infrastructure exist to quickly detect pest and disease incursions beyond the ports, while the extent of an invasion is small and remedial actions may be most cost-effective.

Pest and Disease Management

- *How will Domestic Disease Eradication, Monitoring and Surveillance Programs be managed and executed?*
 - imported fire ant, citrus canker, exotic fruit flies, gypsy moth, and golden nematode, etc. as well as many animal health programs

The mission of protecting animal & plant health involves a significant investment in domestic pest and disease eradication, surveillance and monitoring. These programs are essential for the economic viability of American agriculture both at the farm level and for exports of U.S. plant and animal products.
- *How would the integrity of pest programs such as the Boll Weevil Eradication Program and the Pink Bollworm Eradication Program be sustained within the new department?*
APHIS carries out several programs that are very important to the U.S. cotton industry and plant agriculture but are not necessarily oriented to homeland security. These programs are essential for the economic viability of American agriculture both at the farm level and for exports of U.S. plant products.
- *Would the Department of Homeland Security assume responsibility for providing compensation for producers in instances where the pest or disease is not related to an act of bioterrorism? If not, are provisions in place to have an appropriate agency within USDA administer indemnification in such instances? Will access to Commodity Credit Corporation funds for emergency response and indemnification be affected?*
Part of APHIS' responsibilities includes indemnifying animal owners and growers for pest and disease losses. For example, a recently proposed APHIS rule would establish new compensation guidelines for assisting poultry and livestock producers who lose animals to diseases such as foot and mouth disease and highly pathogenic avian influenza. On the plant side, indemnification has been provided for eradication efforts associated with plum pox virus, citrus canker, and karnal bunt.
- *Would the Department of Homeland Security have the resources to continue providing such support, even when such an outbreak was not caused by an incident of bioterrorism? Would it make more sense to have the new department determine whether the outbreak is an act of bioterrorism, then have USDA respond if the outbreak is not terrorism-related?*
APHIS provides significant logistical and scientific support during an animal disease outbreak. For instance, more than 200 APHIS employees have been sent to Virginia during the current low pathogenic avian influenza outbreak. This support has played an important role in slowing the spread of this disease.

Trade Support

- *How would APHIS' current responsibilities for issuing sanitary and phytosanitary inspection certificates for grains and grain products to foreign countries be affected?*
Such certificates are required by foreign buyers to document that U.S. commodities do not originate in U.S. regions known to have plant diseases, such as Karnal bunt. Would these functions better fit within another USDA agency, such as the Grain Inspection, Packers and Stockyards Administration?
- *Who will conduct risk assessments and develop import policies with regard to imports to the U.S.?*
It is critical that careful reviews are made of other countries prior to allowing trade to take place. Import-Export staff and the staff at the Fort Collins facility have done the risk assessments.
- *Who will help facilitate exports of plant and animal products and plants and animals?*
Currently, VS and PPQ work with companies to meet export requirements and sign export certificates. VS and PPQ are critical to providing the scientific expertise to address sanitary and phytosanitary trade issues. This is important to the economic viability of the animal and plant industries
- *Will APHIS activities to promote exports continue in this new Department?*
Export support requires close liaison with other USDA personnel like the Foreign Agricultural Service. There is concern that export issues are not a homeland security issue and therefore would not have the same priority status for funding and support as they currently do at USDA. USDA APHIS is considered the competent authority on animal and plant health issues. This is vital to support the continued expansion of US agricultural sales throughout the world. Import/export negotiations often need to be carried out together - quid pro quo's and the need to avoid retaliatory tariffs in response to security measures.
- *How will those efforts by APHIS-PPQ to conduct risk assessments be affected by a potential shift in mission under a new Department?*
APHIS-PPQ has faced a large and persistent backlog of risk assessments to support commodity import and export decisions. Furthermore, the Agency has come under increased scrutiny relative to the scientific strength and transparency of those assessments. Major efforts are underway to build scientific capacity, risk assessment transparency, and stakeholder collaboration.
- *Who will work with the International Plant Protection Convention and the Office of International Epizootics to continue to provide U.S. input into the setting of international health standards?*
It is critical that the U.S. is well represented in these discussions and has staff to provide extensive review and comments on proposed changes in these standards.
- *What will happen to the trade support provided by the Trade Support Team in International Services?*
Trade is very important to the agriculture industries and this group is important in resolving trade issues related to health.

- *What will happen to the assistance provided to countries with FMD and other disease/pests to help them eradicate these diseases?*
It is important to help fight diseases in other countries as well as in the U.S.
- *How would such efforts to reduce risks of pest and disease introduction at the source be affected?*
APHIS is increasingly pursuing off-shore risk reduction strategies as the first line of defense against plant and animal pest risks. Such strategies are generally coordinated with APHIS International Services staff and foreign countries' phytosanitary officials.
- *Will APHIS continue to provide scientific and technical expertise in the trade arena if it is moved to the Department of Homeland Security?*
Another critical matter relates to trade. APHIS is a major player when it comes to the World Trade Organization, the Sanitary and Phytosanitary and Technical Barriers to Trade agreements. There is constant interaction with FAS, FSIS, GIPSA, ARS and perhaps other agencies within USDA on these matters.

Related Scientific and Technical Services

- *How would APHIS' responsibilities concerning approvals of biotech crops fit within the new Department of Homeland Security?*
APHIS currently regulates field trials for biotech events and regulates interstate shipments of biotech-enhanced plants under the Plant Protection Act. APHIS also reviews and approves petitions of biotech providers seeking a "determination of non-regulated status" before a biotech variety can be transported and commercialized for unrestricted movement in interstate commerce.
- *How would effort by APHIS "methods development" centers be affected?*
These efforts supplement the more basic research support of USDA's Agricultural Research Service and Cooperative State Research, Education and Extension Service.
- *Who will administer the veterinary accreditation program?*
The veterinary accreditation program is very important to the disease eradication programs and the movement of livestock in the U.S. Currently, important revisions are underway with the program.
- *Who will work with the identification initiatives underway?*
VS is working with various groups to help develop the appropriate identification procedures.

Questions specific to the President's book on The Department of Homeland Security

1. Page 2 explains that the "Department would oversee federal government assistance in the domestic disaster preparedness training of first responders." Do disasters include outbreaks in the US of exotic or emerging animal diseases? If so, will the training of first responders include training of veterinarians who will be the first responders to animal disease outbreaks?
2. On page 2, the Chemical, Biological, Radiological and Nuclear Countermeasures paragraphs mention and discuss preparedness for and responding to terrorism, including agro-terrorism.

3. Will preparedness for and response to accidentally introduced animal and plant diseases also be addressed by the Department?
4. Under Science and Technology on page 3, the Department "would also assist state and local public safety agencies by evaluating equipment and setting standards." Will the Department similarly assist state agriculture agencies?
5. On page 3 under Other Key Components, it is stated, "The Department would consolidate and streamline relations with the federal government for America's state and local governments." This will not be true for state agriculture agencies if they need to coordinate with both the USDA and the Department of Homeland Security.
6. Under Incident Management on page 12, the document states, "The Department would work with federal, state, and local public safety organizations to build a comprehensive national incident management system for response to terrorist incidents and natural disasters." Will the Department also work with state agriculture organizations to include them in the national incident management system for response to agro-terrorism, natural disasters affecting agriculture, and disease outbreaks? Will plant and animal emergencies be included in the "one genuinely all-hazard plan"?

FINANCIAL DISCLOSURE

The American Nursery & Landscape Association received no Federal grants or subgrants and participated as a party in no Federal contracts during the FY2001 and FY2002 U.S. Government fiscal years.

The Society of American Florists received no Federal grants or subgrants and participated as a party in no Federal contracts during the FY2001 and FY2002 U.S. Government fiscal years.

#

CURRICULUM VITAE FOR LIN L. SCHMALE

PROFESSIONAL EXPERIENCE

Senior Director of Government Relations, Society of American Florists,
Washington, D.C.

March, 2000 – Present

Senior Legislative Representative, Society of American Florists,
Washington, D.C.

March, 1994 – March, 2000

Legislative Assistant, Congressman Jay Dickey (R-4-Arkansas)

May, 1993 – March, 1994

Constituent Relations Director, Federal Crop Insurance Corporation
(now Risk Management Agency), U.S. Department of Agriculture-

—

– March, 1894

